

Office of Chief Counsel  
Internal Revenue Service  
**memorandum**  
CC:NER:MAN:TL-N-3442-99

date:

to: District Director, Manhattan District  
ATTN: Chief, Examination Division  
(Revenue Agent Mark Schips)

from: District Counsel, Manhattan (CC:NER:MAN)

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subject:

[REDACTED]  
Fiscal Year: [REDACTED] (Form 1120-F)  
Consent to Extend the Statute of Limitations on Assessment  
STATUTE OF LIMITATIONS EXPIRES [REDACTED]

UIL No. 6501.08-09

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**INTRODUCTION**

On June 29, 1999, our office rendered advice regarding the individuals who may execute a consent to extend the statute of limitations on assessment on behalf of the above-referenced taxpayer. We recommended that the Revenue Agent secure a designation of authority by one of the officers set forth in I.R.C. § 6062. On [REDACTED], the Revenue Agent secured additional documents and requested our office to render advice as to whether those documents are sufficient for a valid designation of authority by the President of [REDACTED] to [REDACTED] and [REDACTED]

Our June 29, 1999 memorandum addressed the requirements for a valid designation of authority. This memorandum confirms and supplements our June 29, 1999 memorandum.

In addition to the minutes of the Board of Directors' meeting, the Revenue Agent also provided our office with an power of attorney for [REDACTED] signed by [REDACTED] on [REDACTED].

### ISSUES

1. Whether the minutes from [REDACTED]'s [REDACTED] Board of Directors' meeting are sufficient to have granted the authority to sign a consent to extend the statute of limitations on assessment to [REDACTED] and [REDACTED].

2. Whether the power of attorney for [REDACTED] signed by [REDACTED] on [REDACTED] is valid.

### FACTS & DISCUSSION

The facts are the same as set forth in our office's June 29, 1999 memorandum, except for the following information regarding the minutes from [REDACTED]'s Board of Directors' meeting.

#### *Issue 1*

Whether the minutes from [REDACTED]'s [REDACTED] Board of Directors' meeting are sufficient to have granted the authority to sign a consent to extend the statute of limitations on assessment to [REDACTED] and [REDACTED].

On [REDACTED], the Board of Directors of [REDACTED] met. [REDACTED] was present at the Board of Directors' meeting. [REDACTED] was [REDACTED]'s President on [REDACTED].<sup>1</sup> In an attachment to the minutes from the Board of Directors' meeting the following is set forth in paragraph 3:

[REDACTED] and [REDACTED] be and hereby are appointed as the Representatives of the Representative

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<sup>1</sup> [REDACTED]'s Annual Report for taxable year ended [REDACTED] confirms that [REDACTED] was the Chairman and President of [REDACTED] until [REDACTED] when [REDACTED] became the new President.

Office of the Bank (Chief Representative: [REDACTED]), and shall be in charge of the business and affairs of said Representative Office to serve until successors shall have been appointed. Each successor to the office of Representative of the Representative Office shall be authorized to be in charge of the business affairs of the Representative Office, and shall hereinafter be appointed in accordance with the Bank's ordinary procedures for appointing persons to the position of Representative of a representative office.

An officer or officers duly authorized to act on behalf of a corporation may grant their authority to extend the statute of limitations on assessment on behalf of the corporation to a full-time employee or employees of the corporation. See Treasury Department Circular 230, 31 C.F.R. § 10.7(c)(1)(iv), 1966-1 C.B. 1171.

Such a grant of authority must be enumerated in a power of attorney, which must set forth, in relevant part, (1) the name and mailing address of the taxpayer; (2) tax identification number of the taxpayer; (3) name and mailing address of the recognized representative(s); (4) description of the matter(s) for which representation is authorized which, if applicable, must include the type of tax involved, the federal tax form number, and the specific year(s)/period(s) involved; and (5) a clear expression of the taxpayer's intention concerning the scope of authority granted to the recognized representative(s). Treas. Reg. § 601.503(a). In addition, a full-time employee or employees appointed under such a power of attorney must make a written declaration in conformity with Treas. Reg. § 601.502(c). The requirements of Treas. Reg. §§ 601.502(c) and 601.503(a) are satisfied by a properly completed Form 2848-Power of Attorney and Declaration of Representative. Treas. Reg. § 601.503(b)(1). Accordingly, the minutes of the Board of Directors are not sufficient for the granting of a valid designation of authority.

## ***Issue 2***

Whether the power of attorney for  
[REDACTED] signed  
by [REDACTED] on [REDACTED]  
[REDACTED] is valid.

There are two powers of attorney signed authorizing [REDACTED] to act on behalf of [REDACTED] in this case. The first power of attorney was signed only by [REDACTED] on [REDACTED]. The second power of attorney was signed by [REDACTED] on [REDACTED] and [REDACTED] on [REDACTED]. In preparing our June 29, 1999 memorandum, our office was only aware of the second power of attorney. On [REDACTED], the Revenue Agent provided our office with the first power of attorney and requested that we advise him as to whether such power is valid.

[REDACTED] was the General Manager of [REDACTED] Office on [REDACTED] when he signed the first power of attorney. [REDACTED] had also signed Form 1120F for [REDACTED] for fiscal year ended March 31, [REDACTED]. Under Treas. Reg. § 1.6062-1(c), an individual's signature on a return is evidence of his or her authority to sign the return. Accordingly, [REDACTED] appears to have been authorized to sign the return and documents relating to the return, and thus, the [REDACTED] power of attorney is valid.

## **CONCLUSION**

We recommend that the Revenue Agent request that an officer or officers duly authorized to act on behalf of [REDACTED] either sign the consent to extend the statute of limitations on assessment or grant their authority to sign returns and consents to extend the statute of limitations on assessment to [REDACTED].

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Should you have any questions regarding this matter, please contact Paul Schneiderman at (212) 264-5473, extension 290 or Michelle Or at (212) 264-5473, extension 239.

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